

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE, COUPEE**

**YEAR ENDED DECEMBER 31, 2014**

**A COMPONENT UNIT OF THE  
POINTEE COUPEE PARISH POLICE JURY**

FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE

Fire/EMS/Rescue Services

6456 La Hwy 1

PO Box 212

Batchelor, Louisiana 70715

(225) 492-3100

GOVERNING BOARD

(Effective January 1, 2014)

Robert Allen, Chairperson

Genin Roy

Debbie Collins

Millard Rogers

John Edmond

MEETING DATE

Third Monday of Every Month

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# DAIGREPONT & BRIAN

*A Professional Accounting Corporation*

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Fire Protection District No. 1 of the  
Parish of Pointe Coupee  
Batchelor, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:513 and the provisions of the Louisiana Governmental Audit Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2014, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 21 and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

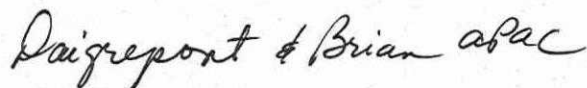
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head and the schedule of taxable valuations are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Daigrepoint & Brian, APAC

Baton Rouge, LA  
June 22, 2015

## REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis (MD&A) is a required component of financial statements prepared in accordance with generally accepted accounting principles (GAAP). The MD&A is an analysis of the financial condition and operating results of the District written by management. It introduces the basic financial statements and notes. The MD&A should provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions.

FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
PO Box 212  
Batchelor, Louisiana 70715

**Introduction**

This annual report consists of:

Our independent auditors' report on the financial statements in which they rendered an unqualified opinion.

Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.

The basic financial statements which consist of government-wide financial statements, governmental fund financial statements, and the notes to those financial statements.

The comparison of actual operations for the year compared to the budget.

A schedule of taxable property valuations for the District since inception.

Our independent auditor's report on the District's compliance with laws and regulations and how management applied internal controls over its financial operations. The results of those tests and observations disclosed no instances of noncompliance.

**Management's Discussion and Analysis**

As management of the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2014. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations of significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

**Financial Highlights**

The District's net position increased by \$26,170 from \$1,184,792 in 2013 to \$1,210,962 in 2014.

Cash increased by \$66,019 for the year ended December 31, 2014.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements, presented on pages 10 and 11, are designed to provide readers with broad overview of the District's finances, in a manner similar to a private-sector business.



The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations to demonstrate compliance with this budget.

### **Notes to the Financial Statements**

The notes, presented on pages 15 through 20, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary control, on pages 21 and 22.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$1,210,962.

The District's total assets are mainly composed of \$363,647 (17%) in cash, \$265,630 (12%) in receivables, and \$1,517,336 (71%) investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area north of the Morganza Spillway Control Structure in the northern part of Point Coupee Parish; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net assets, \$597,114, may be used to meet the District's future operations.

#### Net Position

	2014	2013	% Change
<b>Assets</b>			
Current and other assets	\$ 629,402	\$ 535,605	18%
Capital assets	1,517,336	1,656,187	-8%
Total assets	2,146,738	2,191,792	-2%
<b>Liabilities</b>			
Current and other liabilities	32,288	27,257	18%
Debt liabilities	903,488	979,743	-8%
Total liabilities	935,776	1,007,000	-7%
<b>Net position</b>			
Invested in capital assets	613,848	676,444	-9%
Unrestricted	597,114	508,348	17%
Total net position	\$ 1,210,962	\$ 1,184,792	2%

The District's total revenues increased by 5% from \$420,317 to \$442,472 in 2014 primarily as a result of higher ad valorem and sales tax. Total expenses decreased slightly from \$428,439 in 2013 to \$416,303 in 2014.

#### Changes in Net Position

	2014	2013	% Change
<b>Revenues</b>			
Taxes	426,259	383,365	11%
Intergovernmental revenues	16,213	18,111	-10%
Other revenues	-	18,841	-100%
Total revenues	442,472	420,317	5%
<b>Expenses</b>			
Operating	275,832	285,315	-3%
Depreciation	140,471	143,124	-2%
Total expenses	416,303	428,439	-3%
Change in net position	26,169	(8,122)	-422%

#### Governmental Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the District's liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 242% of total fund operating expenditures.

The fund balance of the District increased by \$88,766 during the current year.

### **Budgetary Highlights**

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on pages 21 and 22. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

Actual revenues of \$442,472 exceeded budgeted revenues of \$417,251 by \$25,251 while actual expenditures of \$353,707 were less than budgetary expenditures of \$365,787 by \$12,080.

### **Capital Assets**

At December 31, 2014 and 2013, the District had \$613,848 and \$676,444, respectively, invested in a broad range of capital assets, including buildings, vehicles, and equipment. Further detail on capital assets is presented in Note 4 on page 19.

### **Long-Term Debt**

During the prior year the District entered into certificates of indebtedness in the amount of \$1,084,390 for the purposes of acquiring new fire protection vehicles and paying off existing capital lease obligations and construction loans. At the end of the year, the amount owed on the certificates of indebtedness was \$903,488. Further information on long-term debt is presented in Notes 5 and 6 on page 19 and 20.

### **Economic Factors and Next Year's Budget**

The District serves a population estimated at approximately 2,500 utilizing both contract and volunteer firefighters. Through the efforts of these firefighters the District has attained an IRC In Rating of 5 and a IRC Out Rating of 5, which means that insurance rates for the taxpayers in the District were lowered due mainly to acquisitions and improvements to equipment and the efforts of the volunteer firemen.

The recap below of assessed property valued by year from 2000 to 2014 which shows that the District has shown some economic progress during that time frame.

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
2000	5.6	12,794,574	2,469,156	57,822	13,827	71,649
2001	5.54	13,707,458	2,479,831	62,201	13,738	75,939
2002	5.54	12,275,127	2,629,291	68,005	14,567	82,571
2003	5.54	11,551,127	2,648,426	63,994	14,673	78,666
2004	5.54	17,479,615	2,724,770	96,837	15,095	111,933
2005	6.53	14,687,740	2,770,480	95,912	18,091	114,003
2006	6.53	16,292,585	2,771,040	106,391	18,095	124,487
2007	6.53	15,719,728	2,846,410	102,651	18,587	121,238

2008	6.46	19,145,611	3,000,940	123,681	19,386	143,067
2009	6.46	20,425,840	3,050,580	131,951	19,707	151,658
2010	6.46	29,034,860	3,055,230	187,565	19,737	207,302
2011	6.5	29,113,230	3,062,600	189,241	19,910	209,151
2012	6.5	30,941,644	3,067,236	201,126	19,940	221,066
2013	6.5	34,090,384	3,094,636	221,593	20,118	241,711
2014	6.5	#REF!	#REF!	#REF!	#REF!	#REF!

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Robert Allen, Chairman for the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana at (225) 492-3100.

## **BASIC FINANCIAL STATEMENTS**

The government-wide financial statements, presented on pages 10 Statement of Net Position and 11 Statement of Activities, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position includes capital assets and long-term debt and the Statement of Activities includes depreciation as an expense of operations.

The governmental funds, presented on pages 12 Balance Sheet and 13 and 14 Statement of Revenues, Expenditures, and Changes in Fund Balance, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the Balance Sheet does not report capital assets or long-term debt and the Statement of Revenues, Expenditures, and Changes in Fund Balance includes capital acquisitions, annual debt service, and excludes depreciation.



**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 363,647
Receivables	
Ad valorem taxes	233,641
Sales taxes	31,989
Total current assets	<u>629,277</u>
Capital assets, net of accumulated depreciation:	
Land	30,000
Buildings	888,490
Vehicles	544,203
Firefighting equipment and tools	48,874
Furniture, fixtures, and equipment	5,769
Total capital assets (net)	<u>1,517,336</u>
Deposits	125
Total Assets	<u><u>2,146,738</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accrued interest payable	16,600
Amount due retirement system	10,644
Payroll taxes payable	5,044
Certificates of indebtedness	78,657
Total current liabilities	<u>110,945</u>
Due in more than one year	
Certificates of indebtedness	824,831
Total due in more than one year	<u>824,831</u>
Total Liabilities	<u><u>935,776</u></u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	613,848
Unrestricted	597,114
Total Net Position	<u><u>\$ 1,210,962</u></u>

See accompanying independent auditors' report and footnotes.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Expenses	Charges for Services	Program Revenues		Net Governmental Activities
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Public safety	\$ 416,303	\$ -	\$ -	\$ -	\$ (416,303)
Total Governmental Activities	<u>\$ 416,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (416,303)</u>
General Revenues:					
Taxes:					
Property tax, levied for fire protection					253,956
Sales					172,303
General intergovernmental revenues					<u>16,213</u>
Total General Revenues					<u>442,472</u>
Change in Net Position					26,169
Net Position at Beginning of Year					<u>1,184,793</u>
Net Position at End of Year					<u>\$ 1,210,962</u>

See accompanying independent auditors' report and footnotes.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 363,647
Receivables	
Ad valorem	233,641
Sales tax	31,989
Restricted cash	-
Deposits	<u>125</u>
Total Assets	<u><u>\$ 629,402</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accrued interest payable	\$ 16,600
Amount due retirement system	10,644
Payroll taxes payable	<u>5,044</u>
Total Liabilities	<u>32,288</u>
Fund Balances:	
Unassigned	<u>597,114</u>
Total Fund Balances	<u>597,114</u>
Total Liabilities and Fund Balances	<u><u>\$ 629,402</u></u>

Reconciliation of the Statement of Net Position of Governmental Funds to the Balance Sheet:

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	\$ 597,114
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,517,336
Long-term liabilities, including certificates of indebtedness are not due and payable in the current period and therefore are not reported in the funds.	<u>(903,488)</u>
Net position of governmental activities	<u><u>\$ 1,210,962</u></u>

See accompanying independent auditors' report and footnotes.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General Fund</u>
Revenues	
Taxes	
Ad valorem	\$ 253,956
Sales	172,303
Intergovernmental revenues	
State fire insurance rebate	11,950
State revenue sharing	4,263
Total Revenues	<u>442,472</u>
Expenditures	
Current operations	
Board fees	1,890
Building and grounds maintenance	12,302
Contract labor	16,200
Emergency fees	15,768
Equipment maintenance	7,328
Insurance	51,639
Legal and professional	13,178
Miscellaneous	7,935
Payroll taxes	1,539
Salaries	18,652
Supplies and protective gear	15,859
Tax collector fees	10,644
Telephone	2,964
Training and fire prevention	19,980
Utilities	11,942
Vehicle maintenance	33,869
Volunteer fire department expense	4,685
Capital outlays	
Equipment	1,620
Debt service	
Principal retirement	76,255
Interest expense	29,458
Total Expenditures	<u>353,707</u>
Increase in Fund Balance	88,765

See accompanying independent auditors' report and footnotes.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund Balance, Beginning of Year	<u>508,349</u>
Fund Balance, End of Year	<u><u>\$ 597,114</u></u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 88,765
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,620) was less than than depreciation (\$140,471) in the current period.

(138,851)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

76,255

Change in net position of governmental activities	<u><u>\$ 26,169</u></u>
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See accompanying independent auditors' report and footnotes.



**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 1 - INTRODUCTION**

On July 14, 1981, the Fire Protection District No. 1 of the Parish of Pointe Coupee, Louisiana was created by a resolution of the Pointe Coupee Parish Police Jury under authority of Louisiana Revised Statute 40:1491. The District operates under a commission form of government and provides fire protection services to all the territory situated within historical Wards 1, 2, and 3 of Pointe Coupee Parish. In accordance with LRS 40:1494, the District is managed by a board of five commissioners appointed by the Pointe Coupee Parish Police Jury. The Chairman is elected by these commissioners. These five commissioners accept no compensation although per diem is allowed.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying general purpose financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The District is body politic and a corporate and political subdivision of the Pointe Coupee Parish Police Jury.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Pointe Coupee Parish Police Jury or the general government services provided by that governmental unit.

No component units were identified for inclusion in the District's financial statements.

Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting on the district as a whole) and fund financial statements (reporting the district's major funds). Both of these statements are designed to categorize primary activities as either governmental or business type activities. All activities for the District are classified as governmental.

The government-wide financial statements include the statement of net position and the statement of activities. These statements are presented on the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem tax revenues are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The government wide statement of activities shows the amount by which the direct expenses of a functional category (Public Safety) are offset by program revenues.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government-wide and Fund Financial Statements (Continued)

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds of the District include:

General Fund – The general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Tax revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when the liability has matured and payment is due.

Cash

Cash includes monies held in checking and savings accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks with principal offices in Louisiana.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The District generally capitalizes assets with cost of \$500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expensed when incurred.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets and Depreciation (Continued)

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Buildings	10-40 Years
Vehicles	5-20 Years
Firefighting equipment and tools	5 Years
Furniture, fixtures, and office equipment	3 Years

Fund Equity Classifications

Equity is classified as net position and displayed in two components:

Investment in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Property Taxes

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.3%.

Property taxes are levied and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are usually collected by the Sheriff in November and December of the year they are levied and remitted to the District in December of the year they are levied and the January following the year they are levied. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2014, taxes of \$253,661 were levied on property with assessed valuations totaling \$39,023,944 at the rate of 6.5 mills. Taxes are levied for the purpose of purchasing, maintenance, and operation of the District's fire protection facilities, vehicles, and equipment.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Sales Tax

On April 2, 2005, the voters of Pointe Coupee Parish approved the levy and collection of a 1/4 percent sales and use tax dedicated to the purpose of providing for fire protection throughout the Parish of Pointe Coupee, Louisiana, by assisting the five existing fire protection districts within said Parish to pay operating, maintenance and capital improvement costs within the respective corporate limits of each of said Districts to be shared equally. Sales tax revenues are collected by the Pointe Coupee Parish Police Jury and are generally remitted to the District on a monthly basis. Sales tax revenue is recognized as revenues for the month reported and collected by the Pointe Coupee Parish Police Jury.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

The policy and practice of the District is for the Fire Chief to submit an annual budget for the General Fund to the Board for approval and adoption.

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

Long-Term Obligations

Expenditures for principal and interest payments are recognized in the governmental funds when due.

**NOTE 3 - CASH**

At December 31, 2014, the status of deposited funds and collateralized balances are as follows:

Noninterest-bearing demand deposits-unrestricted	\$ 366,076
Secured by unlimited federal deposit insurance	<u>366,076</u>
Unsecured/uncollateralized	<u>\$ -</u>

Cash is stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The fiscal agent bank for the District participates in the FDIC's Transactions Account Guarantee program. This program provides depositors with unlimited coverage for noninterest-bearing transaction accounts at participating FDIC-insured institutions.



**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 4 – CAPITAL ASSETS**

Amounts invested and changes in capital assets for governmental activities are as follows:

	2013	Increase	Decrease	2014
Capital Assets				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Buildings	1,014,173	-	-	1,014,173
Vehicles	1,145,031	-	-	1,145,031
Firefighting equipment and tools	303,116	-	-	303,116
Furniture, fixtures, and equipment	15,823	1,620	-	17,443
Total Capital Assets	2,508,143	1,620	-	2,509,763
Less: Accumulated Depreciation				
Buildings	99,717	25,966	-	125,683
Vehicles	523,172	77,656	-	600,828
Firefighting equipment and tools	219,847	34,395	-	254,242
Furniture, fixtures, and equipment	9,220	2,454	-	11,674
Total Accumulated Depreciation	851,956	140,471	-	992,427
Net Capital Assets for Governmental Activities	<u>\$ 1,656,187</u>	<u>\$ (138,851)</u>	<u>\$ -</u>	<u>\$ 1,517,336</u>

**NOTE 5 – CERTIFICATES OF INDEBTEDNESS**

On April 29, 2013 the board authorized the incurring of debt by issuing certificates of indebtedness in the amount of \$1,100,000 for the purpose of acquiring new fire vehicles, paying off existing debt, and to pay for the cost of issuing the certificates. These certificates were approved by the state bond commission at its meeting on March 21, 2013. Of the \$1,100,000 authorized by the board \$1,084,390 were issued as debt.

The debt matures 15 years from the issue date and shall initially bear an interest rate of 3.15% for the first 10 years and 2.20% for the next 5 years. The certificates will be repaid in one annual payment on June 1st of \$107,113 for the first 4 years and \$81,036 thereafter.

The amounts due on the certificates of indebtedness for the next five years and in five year increments thereafter are as follows:

Years	Principal	Interest	Total
2015	\$ 78,657	\$ 28,457	\$ 107,114
2016	81,134	25,979	107,113
2017	57,612	23,423	81,035
2018	59,427	21,609	81,036
2019-2023	326,422	78,757	405,179
2024-2027	300,236	24,003	324,239
	<u>\$ 903,488</u>	<u>\$ 202,228</u>	<u>\$ 1,105,716</u>



**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 6 – CHANGES IN GENERAL LONG TERM OBLIGATIONS**

	2013	New Debt	Principal Paid	2014
Certificates of indebtedness	\$ 979,743	\$ -	\$ (76,255)	\$ 903,488

**NOTE 7 - LAND LEASE**

On September 15, 2014 the District signed a 99 year lease for land owned by the Port Commission. The purpose of the lease is to build substation to have the ability to house fire and protection equipment in the Lettsworth area. Payments under this lease are forgiven in lieu of providing fire protection services.

**NOTE 8 - RISK RETENTION**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2014 from coverage in the prior year.

**NOTE 9 - LITIGATION AND CLAIMS**

There were no judgments, claims or similar contingencies pending against the District at December 31, 2014

**NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, per diem paid to board members is as follows:

Bob Allen	\$ 510
Debbie Collins	300
Genin Roy	300
Millard Rogers	30
John Edmond	480
Duncan Mascote	270
	<u>\$ 1,890</u>

**NOTE 11 – SUBSEQUENT EVENTS**

The District has evaluated all subsequent events through June 22, 2015, the date the financial statements were available for release.

### **REQUIRED SUPPLEMENTARY INFORMATION**

The following Budgetary Comparison Schedule – General Fund is required by GASB 34. The schedule presents the original adopted budget and final budget for the fiscal year and compares the final budget to actual operations of the District

State Law requires the District to amend its budget when projected actual revenues and surplus is 5% below the adopted budget or when projected actual expenditures exceed 5% of the adopted budget. For the year ended December 31, 2014, actual revenues were 6% greater than the final appropriated budget and actual expenditures were 8% less than the final appropriated budget.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Ad valorem	\$ 210,000	\$ 231,155	\$ 253,956	\$ 22,801
Sales	145,000	170,100	172,303	2,203
Intergovernmental revenues				
State fire insurance rebate	13,000	13,000	11,950	(1,050)
State revenue sharing	5,000	2,996	4,263	1,267
Total Revenues	373,000	417,251	442,472	25,221
Expenditures				
Current operations				
Board fees	3,000	2,000	1,890	110
Building and grounds maintenance	9,500	12,100	12,302	(202)
Contract labor	24,200	19,700	16,200	3,500
Emergency fee	13,000	15,768	15,768	-
Equipment maintenance	6,000	9,000	7,328	1,672
Insurance	38,250	50,550	51,639	(1,089)
Legal and professional	16,500	13,100	13,178	(78)
Miscellaneous	9,700	8,040	7,935	105
Payroll taxes	-	6,045	1,539	4,506
Salaries	-	9,181	18,652	(9,471)
Supplies and protective gear	18,000	7,300	15,859	(8,559)
Tax collector fees	-	-	10,644	(10,644)
Telephone	2,850	2,850	2,964	(114)
Training and fire prevention	12,500	2,000	19,980	(17,980)
Utilities	5,000	11,940	11,942	(2)
Vehicle maintenance	30,700	34,200	33,869	331
Volunteer fire department expense	-	-	4,685	(4,685)
Capital outlays	39,306	54,900	1,620	53,280
Debt service	107,113	107,113	105,713	1,400
Total Expenditures	335,619	365,787	353,707	12,080
Expenditures in Excess of Revenue	37,381	51,464	88,765	37,301
Fund Balances, Beginning of Year	508,349	508,349	508,349	-
FUND BALANCES, END OF YEAR	\$ 545,730	\$ 559,813	\$ 597,114	\$ 37,301

See accompanying independent auditors' report and footnotes.

### **OTHER SUPPLEMENTARY INFORMATION**

The following pages contain a schedule of compensation paid to the agency head and a schedule of taxable property values.

The following pages also contain a report on compliance with laws and regulations and on internal control over financial reporting as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, NEW ROADS, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE AGENCY HEAD**

Agency Head: Robert Allen

<u>Purpose</u>	<u>Amount</u>
Board per diems	\$ 510

See accompanying independent auditors' report and footnotes.



# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Fire Protection District No. 1 of the  
Parish of Pointe Coupee  
Batchelor, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fire Protection District No. 1 of the Parish of Pointe Coupee (the "District") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 22, 2015.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daigrepont & Brian APAC".

Daigrepont & Brian, APAC

Baton Rouge, LA  
June 22, 2015

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2014**

**Section A - Summary of Auditor's Reports**

- The auditors' report expresses an unqualified opinion on the basic financial statements of the Fire Protection District No. 1 of the Parish of Pointe Coupee Parish, Louisiana.
- There were no significant deficiencies or material weaknesses noted during the audit of the basic financial statements.
- There were no instances of noncompliance or other matters noted during the audit of the basic financial statements.

**Section B - Financial Statement Findings**

- There were no financial statement findings noted during the audit of the basic financial statements.

**FIRE PROTECTION DISTRICT NO. 1 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2013**

**2013-1 Noncompliance with the Local Government Budget Act**

Finding

The District's original and amended budget did not include a budget message. A budget message signed by the budget preparer including a summary description of the proposed financial plan, policies, and objectives and a discussion of the most important features is required by the Local Government Budget Act. (R.S. 39:1301-1315).

Status

The District has resolved the finding of including a budget message with the budget.

**2013-2 Accounting Review**

Finding

The District's internal control regarding review of the final trial balance did not prevent, detect, or correct misstatements related to the refinance of notes payable and capital leases, as well as, the related loan origination costs. There were also misstatements related to the removal of damaged assets and the recoding of related insurance proceeds that were not prevented, detected, or corrected by the District's internal control.

Status

The District has and will continue to consult with their bookkeeping firm when situations arise that are not in the normal course of operations.